

**MINUTES
ENTERPRISE ZONE COMMISSION MEETING
WEDNESDAY, JULY 29, 2009**

1. CALL TO ORDER

The meeting was called to order by Stazzoni at 5:00 p.m.

Due to the absence of both the Chair and Vice Chair, a motion was made by Stazzoni, with a second by Milford to elect Milford as the Acting Chair, per the Commission's by laws. Motion carried by unanimous voice vote.

2. ROLL CALL

Present: Milford and Stazzoni
Absent: Andersen, Bates, Biede, Hornbeck, Jares and Prichard
CD Staff: Brenda Carrico
Others: Lloyd Banks and Brad Knott

3. ADOPTION OF AGENDA

Motion by Stazzoni, second by Milford to adopt the agenda as printed. Motion carried by unanimous voice vote.

4. APPROVAL – MINUTES OF SEPTEMBER 30, 2008

Motion by Milford, second by Stazzoni to adopt the minutes as printed. Motion carried by unanimous voice vote.

5. PROOF OF PUBLICATION

Presented by staff.

6. REVIEW OF APPLICATIONS

A. Western Iowa Land Development, LLC

1. Lots 38, 39, 41 & 43, Zaiger Addition

2. Lots 51, 52, 69 & 85, Zaiger Addition

3. Lot 1, Zaiger Addition and Lots 5, 6 & 8, Block 77, Railroad Addition

Carrico introduced Lloyd Banks who was present at the meeting representing the application. Carrico also summarized the projects to the Commission and explained that all of the lots were in the same general area but the developer wished to split the lots up for greater flexibility with construction dates and meeting the two year completion deadline. Most of the lots are located in the Zaiger Addition, at 25th Avenue and South 16th Street. This is an area that the Commission has received numerous requests for Enterprise Zone assistance. Some of the original purchasers of the lots are now selling these lots and Western Iowa Land Development (WILD) recently purchased nine lots in the subdivision. The remaining three lots in the third application are located at South 19th Street and 27th Avenue.

WILD has included their building plans in the application and they will be constructing two story and split entry style homes. These homes will have attached two car garages, three bedrooms and approximately 1,400 finished square feet. The total project investment for all three applications is \$1,725,000. All of the homes in the Zaiger Addition will be valued at \$150,000 and the three homes in the Railroad Addition will be valued at \$125,000. WILD is fully aware that only the first \$140,000 of value can be counted

towards the EZ 10% investment tax credit. The estimated total financial enterprise zone incentive available to the project is \$210,500. The developer agrees to comply with the adopted local requirements, as they have done so in the past.

Milford inquired as to how many homes are currently for sale in the Zaiger Addition. Brad Knott guessed about 30. Banks informed the Commission that the homes will all be Energy Star certified and the Commission discussed tankless water heaters—how they work, costs, rebates, etc.

Motion by Stazzoni, second by Milford to concur with staff's recommendation and approve the applicant's request for Enterprise Zone benefits as submitted on the three separate applications. The motion carried by a unanimous voice vote by those present. Per the Commission's by-laws, Carrico polled the absent members and obtained aye votes from Andersen, Bates, Hornbeck and Jares. Prichard abstained.

Carrico informed Banks that City Council will review these applications at their meeting on August 10th.

B. John Dalton: Lots 10, 27, 29 & 68, Zaiger Addition

Carrico introduced Brad Knott, who was representing the John Dalton project. Carrico briefly summarized the project to the Commission. Again, this project is located in Zaiger Addition, as were the previous three applications. John Dalton will be purchasing these four lots from Key Development LLC and will use Dennis Pogge Construction to build the homes which will be mostly ranch style homes. The homes will range in size from 1,047 to 1,493 sq. ft. and will have three bedrooms and two bathrooms. All of the homes will have high efficiency forced air gas furnaces and will meet or exceed current standards for efficiency. The developer is considering the homes to be "handicap friendly" with 36 inch doorways and hallways. The developer will sod the front, side and rear yards. The per unit value will range from \$120,000 to \$175,000. Brad Knott acknowledged that only the first \$140,000 of value can be counted towards the 10% investment tax credit. The total project investment is estimated at \$586,000. The developer agrees to comply with the adopted local requirements.

Knott added that these homes will also have all Energy Star appliances. He further explained that Key Development will be selling four of their lots to John Dalton and four lots to Mark McKeever (Welcome Homes). They are doing this as they will be unable to complete all of their homes within the two year completion requirement, even though they have been granted a one year extension already.

Carrico stated that the Commission technically should approve a contract amendment to the Key Development agreement reducing their number of lots down. She recommended any approval be contingent upon meeting this requirement.

Motion by Stazzoni, second by Milford to concur with staff's recommendation and approve the applicant's request for Enterprise Zone benefits, contingent upon the submission and approval of the Key Development contract amendment and the submission by the developer of any revised blueprints to the Commission. The motion carried by a unanimous voice vote of those present. Per the Commission's by-laws, Carrico polled the

absent members and obtained aye votes from Andersen, Bates, Hornbeck, Jares and Prichard.

Carrico informed Knott that City Council will review this application at their meeting on August 10th.

B. R.D. Homes, Inc. (extension request)

Carrico reminded the Commission that R.D. Homes, Inc. received approval for EZ benefits in the Zaiger Addition in August of 2006. Carrico further explained that eligible housing projects must be completed within two years from the time the housing business begins the work. This does not mean that the two year clock starts on the agreement effective date, which is simply the earliest the business can start a project. The two year clock starts when the builder begins the actual construction work.

Carrico also stated that the benefits are an all or nothing opportunity. If any housing business fails to meet the unit requirement in their contract, they must repay any benefits they have realized. This includes both the tax credits and the rebates on sales tax.

The implication of these two rules affects the R.D. Homes, Inc. project. In order to ensure the project remains in compliance and thus eligible for the EZ benefits, Russ Cain has requested a one year extension to his 07-HEZ-016 agreement.

Motion by Stazzoni, second by Milford to concur with staff's recommendation and approve the one year amendment to 07-HEZ-016 submitted by R.D. Homes, Inc. The motion carried by a unanimous voice vote by those present. Per the Commission's by-laws, Carrico polled the absent members and obtained aye votes from Andersen, Bates, Hornbeck, Jares and Prichard. Carrico will forward this request directly to the Iowa Department of Economic Development.

7. OTHER BUSINESS

A. **Election of Officers** – Due to the low attendance at the meeting, a decision was made to postpone the election of officers until the next regularly scheduled meeting.

8. ADJOURNMENT

Motion by Milford, second by Stazzoni to adjourn the meeting at 5:25 p.m. Motion carried by unanimous voice vote.

August 13, 2009

At the meeting on July 29, 2009, a housing Enterprise Zone application was approved for John Dalton for 4 lots in Zaiger Addition. Mr. Dalton is purchasing these lots from Key Development LLC. Technically, an amendment to the current Key Development EZ contract must be approved before the approval of the Dalton application can be official. Staff recommends approval of Amendment #1 to the Enterprise Zone agreement (07-HEZ-020) submitted by Key Development LLC reducing the number of single family homes from 23 to 15. The new legal description of the lots Key Development will build on or has built on is Lots 17, 18, 19, 20, 25, 26, 28, 30, 63, 86, 87, 88, 89, 90 and 91, Zaiger Addition.

Affirmative votes from Andersen, Bates, Hornbeck, Jares, Milford, Prichard and Stazzoni to approve Amendment #1 to the Enterprise Zone application for Key Development.